

9 March 2016		ITEM: 14 (Decision 01104358)
Cabinet		
Housing Allocations Scheme – Second Year Review		
Wards and communities affected: All	Key Decision: Yes	
Report of: Councillor Lyn Worrall, Portfolio Holder for Housing		
Accountable Head of Service: Dermot Moloney, Strategic Lead, Housing		
Accountable Director: Roger Harris, Corporate Director of Adults, Housing & health		
This report is Public		

Executive Summary

In May 2013, following an extensive public consultation, the Council introduced a new Housing Allocations Scheme along with a new online housing application form.

A review of the scheme was undertaken in 2014 following the introduction of new statutory guidance and legislation and in January 2015 Cabinet approved a number of amendments to the scheme.

A further review has been undertaken and further amendments are recommended along with more detail to reflect recent additional legislative requirements.

This report details the recommended changes which include:

- Procedural changes to how properties are advertised
- Local lettings plans for new developments on existing Council housing estates
- The introduction of “Thurrock tenancy essentials programme ”
- Allowing tenants to under occupy 2 bedroom, older person properties, where there are no waiting applicants who meet the 2 bedroom criteria
- Discretion to award a welfare priority for homeless prevention
- The annual review of financial qualification
- A pilot scheme for older owner occupiers

1. Recommendation(s)

1.1 That Cabinet approves the recommended changes to the Housing Allocations Scheme in this report;

1.2. That the changes be implemented from 1st April 2016.

2. Introduction and Background

Thurrock Council's Housing Allocations scheme was implemented in May 2013.

The scheme introduced local preferences and statutory requirements under the Localism Act 2011 and Housing Act 1996 part VI and VII. These included a local connection criteria and financial qualification.

A review of the scheme was undertaken in 2014 and subsequently some changes were introduced in January 2015.

As the scheme enters its 3rd year, further updates are required to ensure that the scheme continues to meet its objectives. There have also been changes in legislation and statutory guidance which need to be reflected in the scheme and Council procedures.

Since the last review the Council has reviewed its Homelessness Prevention Strategy and identified a number of innovative schemes for increasing the availability of accommodation for those facing homelessness and for ensuring prevention is at the top of the agenda. Changes to the allocations scheme are required to support these innovations.

Housing Overview and Scrutiny Committee reviewed the proposed changes on 6 January 2016 and recommended the following seven changes to Cabinet for approval and implementation.

3. Issues, Options and Analysis of options

3.1 Procedural changes for advertising properties

On 30 November 2015, Housing Overview & Scrutiny committee considered and commented on proposed changes to the way void properties are advertised.

It was recognised that only a very small number of applicants (less than 1%) were solely using the newspaper to view adverts – the vast majority use the Council and Thurrock Choice Homes websites or other solutions such as mobile phones, apps and tablets.

Subsequently, adverts will be removed from the Thurrock Gazette from 1st April 2016 and support will be provided to the minority of people who only view properties in this way. There will be no changes to the way people can bid for properties – by telephone, email, on the website, via the app or through the assisted bidding service.

With future properties being advertised only via websites and mobile sites there is no reason why they cannot be advertised continuously. There would still be

the same number of advertisement days but this would prevent any delay in waiting to let properties, spread the administration of shortlisting more evenly across the week and reduce void times and consequently rent loss.

An example of how this would work:

Property A becomes available for letting on Wednesday 1st – we will have missed the deadline for advertising in the newspaper that week.

Under the current process we would have to wait until the following Thursday 9th for it to be advertised in the newspaper and bidding would not end until Tuesday 14th after that – a total of 13 void days after the property could be advertised.

Under the new process Property A would be advertised on Wednesday 1st and bidding would end on Monday 6th – a total of 6 days after the property could be advertised.

The property could be let one week sooner meaning less void time and rent loss.

It is recommended that bidding cycles are no longer limited to certain days of the week, but may be continuous

3.2 Local lettings plans for new developments on existing Council housing estates

The Council has embarked on a large building programme and will be producing new housing developments across the borough in the coming years.

The current Allocations Scheme allows Housing Overview & Scrutiny Committee to determine local lettings plans for new developments on a case by case basis.

Consultation has shown that tenants living in the areas where there has been new development within existing Council housing estates strongly believe some preference for the new properties should be given to local people. Subsequently, a paper to Housing Overview & Scrutiny Committee on 30 November 2015 recommended a local lettings plan for the new builds at Derry Avenue and Seabrooke Rise. The plan allows a priority for 75% of the new builds to local Council tenants who have maintained their tenancy in a satisfactory manner. It only applies to the first lettings; all subsequent lettings and the other 25% of properties are to be advertised in the usual manner.

In order to ensure consistency, fairness and transparency for all new build developments on existing Council Housing estates, this paper recommends a borough wide local lettings plan for 1st lettings based on the same principals agreed for the Derry Avenue and Seabrooke Rise properties.

The recommended local lettings plan is outlined in Appendix 1

3.3 Pre-tenancy information for all new tenants

The Housing department have introduced introductory tenancies and support for new tenants in order to promote good tenant like behaviour and to reduce the number of evictions. This includes quarterly visits and floating support where tenants are identified as needing extra help.

To support this programme new pre tenancy information sessions – to be known as “Thurrock Tenancy Essentials” - are recommended as being mandatory for all new tenants prior to the start of any new tenancy.

The information will help new tenants to understand what is expected of them and where and how they can receive support and services from the Council as their landlord. This will include how to report repairs, what repairs they are responsible for, how to be good neighbours and how they can pay their rent.

The programme will be tailored for different client groups such as care leavers and young people, those who have been made homeless through the loss of a previous tenancy and those who have never held a tenancy before.

Thurrock Tenancy Essentials will include an online option which can be completed at any time of the day – enabling those applicants who are working to carry out the programme at their own time and pace.

There will also be face to face options with officers, including one to one support, for the minority who require this type of interaction. This will allow officers to identify, even before a tenancy starts, whether a new tenant is likely to require extra support which can then be put in place through the Councils welfare support officers or through the floating support service commissioned by the Council.

Thurrock Tenancy Essentials will continue to be available to tenants after they have completed the initial programme so that they can always refer back for information they have forgotten – a type of “tenancy handbook”. Because the information will be regularly updated they will always be able to obtain the most up to date information.

This programme supports the work of homeless prevention and is identified within the recently adopted Homelessness Prevention Strategy as a means of helping to prevent evictions from council properties.

The online programme will be developed in house and the face to face training will be delivered by housing officers. This will minimise any cost involved in the set up.

The programme may also prove useful for applicants applying for private tenancies and could be developed into a “tenant accreditation” to give those applying to private landlords an advantage when competing for private properties.

The Council has consulted on the proposal and received wide spread support amongst officers, support workers, agencies and applicants themselves, with 85% agreeing that such a programme would be a good idea.

Local Registered Providers, to whom the Council nominates applicants, have also endorsed the programme and are interested in considering such programmes for their own tenants.

It is recommended that Thurrock Tenancy Essentials will be undertaken by all applicants on the Councils waiting lists prior to being offered a property

3.4 2 bedroom properties for older people

Within the current Allocations scheme married or co-habiting couples are expected to share a bedroom and will be assessed as needing a 1 bedroom property unless there is a medical need for an extra bedroom - for example to accommodate medical equipment or carers – or they are downsizing from a 3 or 4 bedroom Council house into a flat or bungalow.

However, very occasionally a 2 bedroom property specifically for older people e.g. sheltered, extra care or the HAPPI homes, will become available but there are no waiting older applicants meeting the bedroom criteria above.

In such circumstances, it is recommended that a 2 bedroom property be allocated to an applicant with a 1 bedroom need, but that priority is given to couples over single applicants. This will ensure that void periods and subsequent rent loss are minimalised.

It is recommended that where there are no waiting applicants meeting the criteria for a 2 bedroom property specifically designed for older people, the property can be offered to a couple or single person subject to the criteria above

3.5 Discretionary power to award a welfare banding for homeless prevention

The council has implemented a new homelessness prevention strategy and is keen to ensure that wherever possible homelessness is prevented.

The most common reasons identified for homelessness are:

1. Eviction by a parent, family member or friend

The Council uses a mediation service which is very successful in persuading the evictor to keep the person at home. However, it has been identified that if an incentive could be offered then the evictor may be more willing to keep the person for a longer period of time because they can see that ultimately the person will be rehoused.

2. Eviction from an assured short hold tenancy

The highest reason for homelessness is now eviction from an assured short hold tenancy – most commonly because the landlord wants to increase the rent to an unaffordable level or because the landlord wishes to sell the property.

Housing solutions staff will try to find alternative private rented accommodation but often applicants will be reluctant to take up this option since they fear facing eviction again further down the line. Many applicants have been in this situation on a number of occasions and desire a long term and sustainable solution to their housing need. However, if they take up a further privately rented property they will be adequately housed and placed in band 5. This can have the effect of incentivising applicants to use the statutory homelessness route.

In both circumstances it would be useful to have an incentive which allows priority to be awarded where the applicant is willing to take an alternative route to homelessness. It also allows a more planned approach to rehousing and prevents the use of temporary accommodation.

The current online consultation asked whether a priority band should be awarded to those at risk of homelessness who have taken some action to prevent their homelessness.

Of the 1133 responses to date 85% agreed that this was a good idea.

It is recommended that a welfare priority band 3 is awarded at the discretion of the Housing management panel on the condition that the applicant is able to remain in the current or an alternative home, following intervention by the Housing solutions team, for at least 6 months

3.6 Annual review of financial qualification

An annual review of the figures regarding qualification for the Housing register is required in order to determine the thresholds at which applicants would not be able to meet their own housing need in the private sector.

An assessment of the costs of renting and purchasing different property by bedroom number in Thurrock was undertaken in December 2015.

	Studio £	1 bed £	2 bed £	3 bed £	4 bed £
Average cost of property for sale	94,750	143,071	212,604	256,491	345,402
Annual net income required to buy*	17,496	26,424	41,436	50,004	67,356
Average cost of property for rent	631	691	950	1,137	1,628
Annual net income required to rent*	22,725	24,861	34,207	40,916	58,613

The required net income assumes that it is affordable to use one third of net income for housing cost – this is the standard assessment used in the current Housing Allocations scheme.

For sheltered housing and extra care it is assumed that applicants would need to purchase the property outright and would not have access to mortgages. An assumption is made that service charge costs would also need to be available within savings, since applicants are unlikely to be working. 10 years' service charges are accounted for within the calculations:

	Retirement £	Extra care £
Cost of property for sale	160,000	183,000
Monthly service charges for 10 years	18,720	45,600
Total required	178,720	228,600

On the basis of the above figures the following threshold levels are recommended

Property size required – according to household make-up	Threshold annual income/assets*	
	2015-16	2016-17
Bedsit or room in shared house (single under 25 years old)	£18,000	£23,000
1 Bedroom (single over 25 or couple)	£24,500	£25,000
2 Bedrooms (Single/couple plus child/ren)	£30,000	£35,000
3 Bedrooms (Single/couple plus children)	£40,000	£41,000
4 Bedrooms (Single/couple plus children)	£53,500	£59,000
Sheltered Housing (includes sum for long term service	£158,000	£179,000

charges)		
Extra Care Housing (includes sum for long term service charges)	£225,000	£229,000

*figures are net of tax and national insurance and represent the total sum of all income of the joint applicants including any benefits received, and/or the total assets

It is recommended that the financial qualification criteria is updated for 2016-17 as outlined above

3.7 Options for older owner occupiers

The council identified through its review of homelessness in 2015, that there were higher levels of under occupation in the borough compared to over occupation, amongst all tenure types except the private rented sector.

Variance by tenure type	Under occupied (2 or more bedrooms)	Over occupied
Owned or shared ownership	37.6%	3.3%
Social rent	14.8%	7.8%
Private rented	10.9%	11.9%
All Stock	29.5%	5.4%

Of those under occupying, the majority (37.6%) are owner occupiers and generally expected to be older residents whose families have grown up and moved on, leaving them in larger family homes.

Often older residents find it difficult to manage a larger property in terms of keeping it heated, clean & maintained. However, owning the property means they have an asset which may exclude them from joining the housing register due to the qualification criteria.

Alongside this situation, the housing solutions team are striving to encourage more private landlords to work with them by renting suitable family homes to homeless households.

The Council would like to pilot a scheme whereby sheltered housing could be offered to under occupying older Thurrock residents on the basis that the resident leases their own property to the Council for the lifetime of their Council tenancy. The Council could then place homeless applicants into the property on short term leases.

The scheme would be widely advertised and officers would work closely with colleagues in adult social care, especially the Local Area Coordinators and social workers to identify suitable residents.

In order to facilitate such a scheme, an exception to the financial qualification criteria for owner occupiers who sign up to a 5 year leasing scheme with the Council would be required.

The pilot would be reviewed at the end of the first year to determine its success and decide whether to continue.

The scheme would only be available to residents meeting the following criteria:

- Aged over 60 or 55-59 with a disability
- Requiring sheltered accommodation
- Downsizing from a larger property – at least 2 bedrooms
- Willing to sign up a minimum 5 year lease with the Council.

Residents taking part would receive Council sheltered accommodation on a fixed term tenancy which matches the length of their lease agreement for their own property – minimum of 5 years.

Residents would receive a sum of money which would be equivalent to the Local Housing allowance for the property size, less the cost of maintenance and a management fee. They would be expected to pay the full rent of their council accommodation.

Local housing Allowance (LHA) rates for Thurrock for January 2015 are:

	2 bed	3 bed	4 bed
Weekly LHA	£161.26	£188.33	£266.65

The cost of Council sheltered accommodation averages around £85 per week

The Council would be responsible for the management of the property, including some repairs and insurance during the lease period.

This option provides peace of mind to older residents; enables them to keep the family home to pass on to their children and increases the availability of suitable long term accommodation for homeless households. The change would also allow exploration of other options in this area such as in the case of owner occupiers who require residential care.

Residents would need to obtain independent financial advice prior to signing up, with regards to any tax implications. This could be through a trusted family member/friend or from a professional. The Council would not be able to provide independent advice.

In the unfortunate event of the demise of the resident during the lease period, there would need to be legal provision for the ending of the lease if required by the successors, and subsequent rehousing of residents placed by the Council.

It is recommended that the financial qualification be removed for sheltered and extra care applicants who lease their properties back to the Council during an initial pilot scheme period (1st April 2016 – 31st March 2017)

4 Reasons for Recommendations

The Housing Allocations scheme must be followed when allocating the Councils' own properties and those belonging to other registered Providers in the borough with whom we have nomination agreements.

An annual review ensures that the policy meets all statutory requirements and is responsive to the changing needs of the borough.

In particular, the homelessness prevention strategy, which was adopted in October 2015, requires a number of amendments and additions to the policy to enable its full implementation.

It is also good practice to ensure that the policy is consistently reviewed and updated.

5 Consultation

A full consultation was undertaken on the removal of TCH adverts from the newspaper, which also included an impact assessment by the Thurrock Diversity network.

A consultation regarding other changes was undertaken between 26th November 2015 and 21st January 2016. This includes:

- An online survey through the councils consultation port – to date 1133 people have taken part this way;
- All active applicants on the Councils waiting lists were sent messages and reminders inviting them to participate, either through the online survey or in writing;
- The survey was advertised in the Thurrock Gazette, on the Council and Thurrock Choice Homes websites; through Inform to all staff
- There was a meeting with the Tenants excellence panel
- The Thurrock Diversity Network had a written copy of the proposal to discuss with members and report back
- Local Registered Providers (RPs) were advised of the proposals, as per statutory requirements; two RPs have responded - Estuary Housing and

Chelmsford Housing Partnership – both have responded favourably to the proposed changes.

6 Impact on corporate policies, priorities, performance and community impact

The demand for social housing far outstrips the stock available; the Council has to prioritise certain groups but can also choose how to allocate accommodation in the best way to meet the competing needs.

The Council is keen to ensure that all tenants, especially new ones, are fully aware of the responsibilities that holding a tenancy brings, and to minimise the risks of homelessness.

These criteria assist in achieving the Councils corporate priority to “Build pride, responsibility and respect” and “to improve health and wellbeing”.

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**
Chief Accountant, Corporate Finance

The Council has a duty to allocate properties via its published housing allocations scheme. The decision to remove adverts of properties available from the newspaper and to advertise via other media such as the website and mobile phone will make savings.

The proposed Thurrock Tenancy essentials will require development of an online information system but this will be developed in-house at minimal cost - mostly officer time.

However, officers who will be carrying out face to face and group training will undertake a formal level 3 training programme.

Costs have been minimalised by ensuring maximum numbers take up the training. Training costs are approximately £5800 for 14 officers.

The cost of assisting a homeless household is estimated by Crisis to be between £1,426 - £4,726 per month.

If, as anticipated, the programme reduces the number of Council evictions, the potential savings far exceed this cost.

7.2 Legal

Implications verified by: **Martin Hall**
Housing Solicitor / Team Leader

Unless specifically addressed below, there are no legal implications arising out of the content of this report.

The introduction of a new priority band for homeless prevention may be a useful strategy; however it is important that this is not used to prevent those who wish to make an application for homelessness assistance applying. The Council has a duty to accept an application from anyone who is threatened with homelessness, and may be eligible and in priority need.

The leasing private properties under longer term leasing arrangements would also require the use of flexible tenancies for a limited group of people to ensure that secure tenancies are not given to tenants who continue to own a property. This would require a change to the Councils' tenancy policy. In addition to the above, further consideration will need to be given to (i) recovering possession of the flexible tenancy at the end of the fixed term, (ii) who will bear the costs of any repairs, and (iii) what happens if the lease or flexible tenancy is ended mid-term.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Community Development Officer

It has been identified that the removal of the TCH adverts from the newspaper will impact the elderly and those less able to use computers and/or mobile phones and devices. However, a number of actions will be implemented to mitigate the impacts and these will be regularly monitored.

There will also be a large scale programme of advertising to ensure that applicants are aware of changes and those needing assistance can be identified.

An impact assessment was carried out by Thurrock Diversity Network and recommendations were made and will be implemented, including financial support for TCIL to assist disabled applicants in looking for properties and placing bids.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

Housing O & S minutes – 30 November 2015

<https://thurrockintranet.moderngov.co.uk/ieListDocuments.aspx?CId=167&MIId=4808&Ver=4>

9. **Appendices to the report**

Appendix 1 - Draft Local lettings plan

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